

THE ASSISTANT SECRETARY OF THE NAVY

(Research, Development and Acquisition)
WASHINGTON, D.C. 20350-1000
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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Acquisition Guidelines for Schedule-Constrained Urgent Programs in Support of the Ongoing Global War on Terrorism

Given that we are involved in a long war against terrorism, I want to outline a set of policies and guidelines for our acquisition community so that we aggressively respond to the urgent needs of the warfighters. The Department of the Navy, particularly the Marine Corps, receives hundreds of urgent needs requests from Combatant Commanders (COCOMS) every year for items they deem essential to the success of the mission and/or the safety of our warfighters. All phases of the acquisition process - from identification of the urgent need, through market research, solicitation, contract award, delivery and sustainment - must clearly communicate to prospective contractors our objective of providing the required critical capability in theater expeditiously, including field support representative presence, when needed. Our Sailors and Marines are counting on us to meet their needs quickly and efficiently.

Schedule Priority

Our customers require delivery of quality designed and tested equipment on schedule. Contracting officers should ensure that every contract we issue in response to COCOM-validated urgent needs contains appropriate detailed conditions for delivery of conforming equipment on a firm schedule. In many cases, significant incentives should be included for meeting schedule, with additional incentives for early delivery. At the same time, the government should diligently monitor contract performance, so that early and effective corrective action can be taken if it becomes clear that a contractor is falling behind or is not likely to make timely deliveries.

We must ensure that poor performance or a schedule breach does not leave us with a product that we cannot acquire elsewhere. Contracts should include provisions that would require contractors to negotiate with us in good faith to allow us to acquire sufficient license rights in technical data and computer software to re-procure the contract deliverables and/or provide life cycle support.

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Program managers should also consider additional alternatives to optimize schedule performance, such as awarding multiple contracts or leader/follower awards.

Source Selection Criteria

For these COCOM-validated urgent needs that can be competitively procured, source selection criteria should place major emphasis on achieving schedule performance. Past performance should always be considered in these competitions.

Contract Performance

Beginning immediately, I am directing DASN M&B and DASN ACQ to collaborate on reinvigorating the Informal Performance Assessment Reports (IPARS). The Navy has used these reports in the past to communicate with and measure our suppliers in the areas of Cost, Schedule, Performance, Quality, and Management, among others. These reports will be used by the Acquisition community to monitor the performance of our suppliers over time. This data will complement the existing Contractor Performance Assessment Reports (CPARS) that are used more formally by Source Selection Authorities (SSA). PMs, PEOs and HCAs are directed to begin immediately to emphasize the importance of compliance with standing policy and procedures regarding IPAR and CPAR data collection requirements. Specifically, IPARs are required for all contracts over \$50M.

Our Sailors and Marines deserve the proactive participation of each of us within both the government and contractor communities. I will be reviewing contracting practices from all of the HCAs to ensure that we are leaning forward to deliver quickly the right capabilities to our warfighters. I urge you to use all the flexibility allowed by law, regulation and policy to pursue measures to effectively speed up the delivery of contracted items to support our combatant forces. If you find anything that stands in the way of that support, please let me know immediately.

Delores M. Etter

Jeleres M. Etter

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